



**Remarks by Cllr N Madlala during the Parly Oversight
Meeting
30 January 2017
City Hall, Durban**

Mphathi wohlelo,
Chairperson of the Portfolio Committee – Hon Ruth Bhengu,
Honourable Members of Parliament,
Councillors present,
Government officials,
Municipal Officials,
Distinguished guests,
Sanibonani,

I would like to take this opportunity and welcome all of you to this wonderful city of ours.

We would like to welcome the parliamentary portfolio committee and we hope that we will have fruitful engagements. The establishment of Small Business ministry was a step in rightful direction by our government.

One of the areas that our National Development Plan focuses on is that of Small, Medium and Micro Enterprises (SMMEs). They are seen as the key to future growth, transformation and job creation. SMMEs are promoted by many countries and multinational agencies all over the world, with the most important rationale being the role they play in the job creation process. But there are other reasons too, including: their differences in ownership structure, their impact on competition and market structure, and their role in innovation and entrepreneurship. Their positive impact on employment has been observed in many countries - SMMEs are generally more labour-intensive than their

large firm counterparts. But the employment effect is also linked to the entry of new firms, which normally begin life as a small firm.

In the recent past, estimates of South Africa`s SMME sector`s contribution to GDP, for example, range between 35% to 52%, and with contribution to total employment the estimates hover between 39% and 60%. The difference between what constitutes the formal and informal sector, and what is meant by being formally or informally employed is critical in this regard.

In our city we have number of informal sector that we think we need to assist such as salons, fishing, car wash, shisanyama and others. These are some of the industries that we will need to find a way in uplifting them because they too, contribute in our employment.

Besides being the warmest city in our country with wonderful clean beaches – we have a plan to change peoples lives of eThekweni for better.

We have multi-billion Rand catalyst projects which will ensure will assist in boosting our local economy and create thousands of job opportunities. The R25 billion Cornubia mixed-use human settlements project will reduce the shortage of housing in our City.

Economic growth, infrastructure investment and job creation and new economic development zones in the townships are our key strategic focus for the city in the next five years.

We have launched the One Stop Shop for investors and developers. This initiative will position eThekweni Municipality as an investment and business destination of choice.

The eThekweni Metro is one of the metropolitan municipalities that is not 100% urban like other cities. We have large areas which are rural and recently we have incorporated about seven rural wards from other municipalities due to redemarcation processes. As this new council we are hard at work in ensuring that our IDP takes into consideration those new wards. So being the rural

municipality we also looking into developing small business who has interest in agriculture.

Yesterday, we had a meeting with retrenched Rainbow chicken employees and we committed in assisting them. However we believe that such people can be reskilled and be used in agriculture given their work experience. More over they can form cooperatives and small businesses. We will have to sit at some point and brainstorm with them as to how do we move forward, we hope this committee will be able to assist us.

We also do have programmes that are focusing on SMMEs and Cooperatives. Our Cooperatives is meant to improve and provide capacity to the Co-operatives so that they able to operate as fully fledged and profitable businesses.

This is also done to ensure the improvement of the quality of service or products rendered, sustained income generation, job creation and competitiveness with the aim of better positioning the Co-operatives to take advantage of the opportunities emerging in, Local, Provincial, National, Continental and Global markets.

We have capacity building programmes that are provided through a series of business development workshops and trainings in various townships and rural areas within eThekweni Municipality.

The programme outline entails:

- **Access to business information**, awareness and incubation of co-operatives through hosting and facilitating of advisory services, trainings, workshops, seminars and conferences;
- **Access to finance** through financial stakeholder participation;
- **Access to markets** globally and locally through exhibitions and Trade Fairs;
- **Contract Management of services**, targeted procurement rendered by co-operatives in various departments within the Municipality and increase procurement opportunities. (Grass cutting, weed spraying and office cleaning).

Programme Director,

SMMEs

Moreover we have been training our small businesses in townships especially youth and women. During her 100 days in office address, the Mayor announced the following achievements:

- We have trained over 400 township businesses in the Information Communication Technology. About 200 township women in business as well as the technical and soft skills training of 80 township construction businesses. They were trained in tiling, carpentry and bricklaying.
- Our INK incubator has already registered 30 emerging contractors to assist.
- We have empowered about 300 youth-owned businesses through "Inkunzi isematholeni" workshop.

In conclusion we support the call made by the African National Congress on radical economic transformation. The call by ANC on government to procure from Small Businesses and also that they should be paid on time. Last week, our Mayor Cllr Zandile Gumede, called on our Municipal officials to conclude our economic transformation charter which will outline how do we empower youth, women, disable and military veterans. This is also will assist us in ensuring that more Africans benefit from our municipal contracts.

We have said to our supply chain that they must be transformed and consider those who are historical disadvantaged. We say to women and youth in business must given opportunities. We must give women 30%, Youth 35%, people with disabilities 5% and military veterans from parties 10%. This is what the ANC has said we must do this year. We are committing ourselves in that.